FORM 2220ME

2005

UNDERPAYMENT OF ESTIMATED TAX

MAINE REVENUE SERVICES, P.O. BOX 1062, AUGUSTA, ME 04332-1062

This form can be used for the computation of penalty for underpayment of estimated tax for the
Maine Corporate Income Tax and Maine Franchise Tax. Enclose with the appropriate Maine return.

For calendar year 2005, or fiscal year beginning _____ , 2005 and ending _____ , 200 ___ .

NAME   FEDERAL IDENTIFICATION NUMBER

NUMBER AND STREET

CITY OR TOWN, STATE AND ZIP CODE

Part I - Calculating Your Underpayment

1. 2005 tax (check the applicable space below) .... 1 _____

     ____ Form 1120ME, Line 7c Total Tax minus Line 8c Other Credits and Line 8d Income Tax Withheld

     ____ Form 1120B-ME, Line 3c Total Tax, minus Line 4d Net Operating Loss Credit and Line 4e Other Credits

2. Multiply line 1 by 90% .... 2 _____

3. 2004 tax (if 2004 is short-year, enter amount from line 2) (If this line or line 1 is less than $1,000, do not complete rest of form) .... 3 _____

4. Enter the smaller of line 2 or line 3 .... 4 _____

	A	B	C	D
PAYMENT DUE DATES Enter in Columns A through D the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of the taxable year.				
5. Enter 25% of line 4 in columns A through D, unless (a) or (b) below applies: a. Actual liability: Check here and on line 9b, page 2, Form ____ 1120ME. Enter amount from line 19 of the annualization worksheet. b. If the corporation is a "large" corporation under IRC § 6655(g)(2)(A), ____ enter the required estimated tax amount by statute and check this box . 5				
6. a. Estimated tax paid and carryover of prior year overpayment 6a				
b. Overpayment on line 8b of the prior period 6b				
7. Line 6a plus line 6b 7				
8. a. Underpayment (Line 5 minus line 7) or 8a				
b. Overpayment (Line 7 minus line 5) 8b				

Part II - Calculating the Penalty

	A	B	C	D
9. Enter the date of payment of the underpayment on line 8a or the due date of the return, whichever is earlier 9				
10. Number of months or fraction thereof from due date of installment to the date shown on line 9 10				
11. Enter the rate from the table on reverse side 11				
12. Underpayment penalty. Underpayment on line 8a multiplied by rate on line 11 12				

13. Total of amounts shown on line 12. Enter result here and on Form 1120ME, line 9b or Form 1120B-ME, line 5b .... 13 _____

INSTRUCTIONS FOR FORM 2220ME

PURPOSE OF FORM: Form 2220ME will enable corporations and financial institutions to determine if they paid the correct amount of estimated tax by the proper due date. If the minimum amount was not paid timely, an underpayment penalty is imposed for the period of underpayment. This form helps determine whether or not you are subject to this penalty.

WHO MUST PAY THE UNDERPAYMENT PENALTY: If you did not pay enough estimated tax by any due date for paying estimated tax, you may be charged a penalty.

In general, you may owe the penalty if, for 2005, you did not pay the smaller of 90% of your tax liability for 2005 or 100% of the tax liability for 2004 if the 2004 return covered 12 months. Large corporations, as defined by IRC § 6655(g)(2)(A), must also meet the test required by 36 M.R.S.A. § 5228(5)(c).

EXCEPTIONS TO THE PENALTY: You will not have to pay the penalty or file this form if either of the following two situations applies:

1. Your tax liability for 2005, reduced by allowable credits, is less than $1,000.

2. Your 2004 tax liability was less than $1,000.

The penalty may be avoided if at least 90% of the 2005 tax was paid when due, even though you may be required to file this form.

ACTUAL LIABILITY FOR EACH QUARTER: Taxpayers are required to make four equal installments of estimated tax unless the actual liability can be established, by adequate record, for each required installment payment of estimated tax. The Annualized Income Installment Worksheet for Underpayment of Estimated Tax is used to determine actual liability.

COMPUTATION OF UNDERPAYMENT PENALTY: If no exception applies for an installment date, complete lines 9 through 13 to determine the amount of the penalty. The penalty is based on the amount of the underpayment of the required installment for the period of underpayment. It is computed at the stated rate for each month or fraction thereof in the period of underpayment. For calendar year 2005, the penalty rate is 0.6667% per month or fraction thereof, compounded monthly. For calendar year 2006, the penalty rate is 0.8333% per month or fraction thereof, compounded monthly. The effective penalty rate for the number of months shown on line 10 is listed below.

Fiscal year filers may not use the table below.

Number of Months shown on line 10	1	2	3	4	5	6	7	8	9	10	11
Enter this Rate on line 11, Column A	.006667	.013378	.020134	.026935	.033781	.040673	.047610	.054595	.061625	.070472	.079393
Enter this Rate on line 11, Column B	.006667	.013378	.020134	.026935	.033781	.040673	.047610	.056341	.065143		
Enter this Rate on line 11, Column C	.006667	.013378	.020134	.026935	.035492	.044121					
Enter this Rate on line 11, Column D	.006667	.015056	.023514								